



**Public Notice of Proposed Disposition by Negotiation for
1.525 Acre
Commercial Property**

Located Next to Home Depot in Waiakea, South Hilo

**TMK: #(3) 2-2-47: 64 (por.)
Lot 3-B-3**

Requesting Agency

**State of Hawaii
Department of Hawaiian Home Lands**

1099 Alakea Street, Suite 1230
Honolulu, Hawaii 96813
March 4, 2005

Public Notice of Proposed Disposition by Negotiation

The Department of Hawaiian Home Lands ("Department") invites individuals, organizations, or associations to enter into a general lease agreement for the construction, operation, and management of a commercial development and related facilities on Hawaiian home lands described below. The Department is authorized to dispose of the land by a general lease under Section 204(2) of the Hawaiian Homes Commission Act of 1920 (the "Act"), as amended.

Interested applicants may obtain a prospectus ("Offer") beginning on Friday March 4, 2005 from the Department of Hawaiian Home Lands located at 1099 Alakea Street, Suite 1230, Honolulu, Hawaii. The Offer is also on file for public inspection during regular hours at the Department District Offices in Waimea, Hilo, Molokai, Maui and Kauai.

Applicants interested in this offer shall have forty-five (45) days from the first day of publication of this "Notice of Proposed Disposition" to submit their initial application. All applications must be in conformity with the Department's objectives and established criteria per the terms of the Offer. The Department will accept initial applications, until 4:00 p.m., Monday, April 18, 2005 at 1099 Alakea Street, Suite 1230, Honolulu, Hawaii 96813.

Lands to be Disposed: The property is located at corners of Makaala Street, and Ohuohu Street, in Waiakea, South Hilo, Island of Hawaii, Hawaii: TMK # (3) 2-2-47: 64 (por.). The subdivided parcel is designated as lot 3-B-3 and consists of 1.525 acres. This lot is bounded by Makaala Street to the north, Ohuohu Street to the west, an auxiliary parking lot for Prince Kuhio Plaza to the south, and a Home Depot retail operation to the east. This generally square-shaped corner property has lot dimensions of approximately 250 by 266 feet and is considered to have excellent street frontage and exposure to existing traffic patterns. The southern portion of this property, however, is encumbered by a reciprocal access easement off Ohuohu Street, with neighboring Home Depot property. As a result of this easement, the net developable land area associated with this subject property is estimated to be 49,453 square feet.

Character of Use: For the purpose of this disposition, the property will be made available for development as zoned General Commercial (CG) District or a commercial use acceptable to the Department. However, the use must comply with the "non-compete provision" in the lease agreement with the adjacent Home Depot center (any lessee or user whose principal business is a home improvement center, lumberyard, or hardware store will not be permissible). Lessee shall comply with any necessary Federal, State, and/or County permits, codes and regulations, except with regards to County zoning requirements.

Lease Term: The lease term is negotiable however it should not be less than 25 years and cannot exceed 65 years per State law.

Upset Rent: This disposition will be conducted by a sealed bid auction. The minimum Upset Rent for the first twenty-five years is as follows:

\$	51,590	First ten (10) years per annum
\$	59,329	Second five (5) years per annum
\$	63,198	Third five (5) years per annum
\$	67,067	Fourth five (5) years per annum

The highest sealed Rent Bid, at or greater than the Upset Rent, submitted by the prospective applicants for the first twenty-five (25) years of the lease will be a primary determining factor in the final selection of the applicant by the Department to enter into an agreement.

Qualified Applicants: Applicant(s) who submit initial applications deemed qualified by the Evaluation Committee and invited to submit Final Proposals.

Bid Deposit: Due with final Proposals in the amount of twenty-five thousand seven hundred and ninety-five dollars (\$25,795) (equal to six (6) months of the Upset Rent monthly rent) in the form of a cashier's check payable to the Department of Hawaiian Home Lands.

Utilities: All public utilities, including water, sewer and electricity are available to the subject property along and within surrounding public roadways. Connection to all utilities is the sole responsibility of the successful applicant.

Access Easement: A 30-foot wide mutual access easement exists from Ohuohu St. between the subject property and the adjacent Home Depot property parking lot facility. Any additional road improvements are the sole responsibility of the Applicant.

Telecommunication Service. Sandwich Isle Communications, Inc. (SIC) will provide telephone and broadband services to the project at a time when such services are needed.

This proposed disposition by negotiation may be cancelled, postponed or continued from time to time as to all or any of the items listed hereunder by public announcement to that effect by order of the Chairman, Hawaiian Homes Commission.

Any inquiries should be directed to Manny K. Nova, Income Property Manager at (808) 587-6428 or Peter "Kahana" Albinio, Jr., Land Agent, at (808) 586-3855 at the Department.

State of Hawaii
DEPARTMENT OF HAWAIIAN
HOME LANDS

By _____
Micah A. Kane, Chairman
Hawaiian Homes Commission

Date

APPROVED AS TO FORM:

Deputy Attorney General
State of Hawaii

Date